

**CHAPTER NO. 62**

**SENATE BILL NO. 1098**

**By McLeary, Burchett**

**Substituted for: House Bill No. 2196**

**By Briley**

AN ACT to amend Tennessee Code Annotated, Section 65-4-201, relative to public utilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 65-4-201, is amended by adding the following language as a new, appropriately designated subsection:

(e) The authority shall direct the posting of a bond or other security by a public utility providing wastewater service or for a particular project proposed by a public utility providing wastewater service. The purpose of the bond or other security shall be to ensure the proper operation and maintenance of the public utility or project. The authority shall establish by rule the form of such bond or other security, the circumstances under which a bond or other security may be required, and the manner and circumstances under which the bond or other security may be forfeited.

(1) The requirement under this subsection to post a bond or other security by a public utility providing wastewater service shall also satisfy the requirement on such a public utility to provide a bond or other financial security to the department of environment and conservation as required by Tennessee Code Annotated, Section 69-3-122.


(2) The authority shall establish by rule the amount of such bond or other security for various sizes and types of facilities.

(3) Notwithstanding any other provisions of the law, posting a bond or other security under this subsection or Tennessee Code Annotated, Section 69-3-122, shall not be required until January 1, 2006, or until the authority's rules become effective, whichever occurs first. Such rules may be promulgated as public necessity rules.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

**PASSED: March 31, 2005**

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 14<sup>th</sup> day of April 2005**

  
PHIL BREDESEN, GOVERNOR